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May 25, 2022

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Joint Petition of Horry Electric Cooperative, Incorporated, and South Carolina Public Service Authority (a/k/a Santee Cooper) for the Assignment and Reassignment of Territory in Horry County and Approval of Agreements to Limit Corridor Rights
Docket No. 2022-129-E

Dear Ms. Boyd:

The South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the joint petition filed in the above-referenced docket by South Carolina Public Service Authority ("Santee Cooper") and Horry Electric Cooperative, Inc. ("Horry Electric") (collectively, the "Petitioners") for assignment and reassignment of certain territory in Horry County and approval of agreements to limit corridor rights in the specified areas ("Joint Petition").

Overview of Petitioners' Request

Through the Joint Petition, which was filed with the Commission on April 1, 2022,¹ the Petitioners are seeking Commission approval:

1. To assign certain territories in Horry County as outlined in the Joint Petition, and
2. To approve the agreement between the Petitioners to limit corridor rights in specified areas of Horry County.

¹ On May 5, 2022, the Joint Petitioners filed a Corrected Exhibit 1 to the Joint Petition to correct scrivener's errors.

Pursuant to S.C. Code Ann. § 58-27-610(1), Santee Cooper and Horry Electric are subject to the limited jurisdiction of the Commission as electric suppliers. Under S.C. Code Ann. § 58-27-640, the Commission may assign to electric suppliers areas outside the corporate limits of municipalities and that are more than 300 feet from the lines of electric suppliers. Also, S.C. Code Ann. § 58-27-650(A) provides that the Commission may reassign portions of previously assigned service areas upon agreement of the affected electric suppliers. South Carolina Code Ann. § 58-27-620(8) further provides that the Commission has the authority to approve agreements between electric suppliers concerning corridor rights, and the Commission shall approve those agreements if, after filing notice and an opportunity for hearing to interested parties, it finds the agreements to be fair and reasonable.

In accordance with S.C. Code Ann. § 58-31-430, Santee Cooper has the right to enter into agreements with other electric suppliers, as defined by S.C. Code Ann. § 58-27-610, concerning service areas, as contemplated by S.C. Code Ann. § 58-27-640, and corridor rights, as contemplated in S.C. Code Ann. § 58-27-610. South Carolina Code Ann. § 58-31-430 further provides that the Commission has the authority to approve agreements between electric suppliers concerning corridor rights, and that the Commission shall approve those agreements if, after filing notice and an opportunity for hearing to interested parties, it finds the agreements to be fair and reasonable. This authority only applies in situations where all affected electric suppliers² have reached an agreement concerning service areas or corridor rights. With respect to such agreements, the Commission shall approve the agreements and reassign said service area or corridor rights if, after giving notice and an opportunity for hearing to interested parties, it finds the agreements to be fair and reasonable, but the Commission shall not have the authority to alter or amend any such agreement unless all affected electric suppliers agree to the alteration or amendment.

ORS Recommendation

As set forth in the Joint Petition, the territorial assignment agreement (“Agreement”) between the Petitioners and the maps depicting the proposed assignment of territories in the affected portions of Horry County resulted from good faith negotiations, the desire to avoid the duplication of electric distribution lines and appurtenant facilities, and to better operate the systems in a more safe and reliable manner. The Petitioners state that each is fully capable of furnishing adequate and dependable electric service in the areas that each currently serve and will continue to serve if the Joint Petition is not approved. The Joint Petition also states that it will not cause any current customers to change their service; that is, no current customers will be affected by approval of the Joint Petition. Also, the Petitioners assert that no facilities or territories of any other electric suppliers will be affected by the proposed Joint Petition and that they carefully considered system economy, service reliably, and good utility practice, efficiency, and safety.

In reviewing this matter, ORS issued discovery to the Petitioners to verify the Petitioners’ determinations and information set forth in the Joint Petition. ORS also sought additional information regarding, among other things, 1) the classifications and status of the proposed

² South Carolina Code Ann. § 58-31-430 defines the term “all affected electric suppliers” to “include, but not be limited to, the nearest electric cooperative or cooperatives to the proposed service area changes within a five-mile radius of the affected service area or corridor.”

assignment and reassignment territories, 2) any impact to planned operations or capital budgets, 3) clarification regarding certain corridor rights, 4) copies of customer and community communications, and 5) whether any other parties or entities not affiliated with the Petitioners would be impacted by the Joint Petition. ORS further requested clarification on certain territorial lines shown on Exhibit 1 to the Joint Petition. As a result of this inquiry, the Petitioners filed a Corrected Exhibit 1 to the Joint Petition on May 5, 2022, which corrected certain scrivener's errors and provided the clarification needed by ORS.

Based on its review and the information provided in the Joint Petition and through discovery, ORS does not object to the Petitioners' request for Commission approval of the Joint Petition. If approved, ORS requests that the Commission require the Petitioners to file an amended territorial assignment map for Horry County reflecting the modifications requested in the Joint Petition.

Thank you for your assistance with this matter.

Sincerely,



Benjamin P. Mustian

cc: All Parties of Record
David Butler, Esquire
C. Jo Anne Wessinger Hill, Esquire
(all via electronic mail)